

Lyft Stock Rises In Public Market Debut, But It Still Won't Make Founders Billionaires

Lyft may be considered the perennial No. 2 in the ride-hailing race behind Uber, but it beat its rival to the public market Friday. Investors overlooked the company's lack of profits and drove shares up 21% to \$87.24 in its IPO debut. By market close, the price had fallen to \$78.29, although still up nearly 9% from its original pricing.

But unlike the wave of consumer tech founders before them, from [Daniel Ek](#) to [Jeff Bezos](#), Lyft's IPO will not crown any new billionaires. Logan Green, the company's CEO, [owns](#) an estimated \$700 million stake, including restricted stock units (RSUs). Lyft president [John Zimmer's stake](#), also including RSUs, is slightly smaller at an estimated \$510 million. Combined, *Forbes* estimates the founders' stakes total less than 5% of the company. (By market close, Lyft's stock spike has increased Green's share value, including RSUs, to \$760 million and Zimmer's stake to over \$550 million. For Green to cross the line into billionaire status, the stock would have to rise to just over \$103 a share — a 43% jump from the IPO price.)

The small slice owned by the founding duo can be attributed to both dilution from large funding rounds on Lyft's path to raising over \$5 billion and the cofounders sale of shares along the way, including a March 2018 tender offer noted in Lyft's registration statement. That's another difference with Uber. The company's former CEO Travis Kalanick [was infamous](#) for never selling a share [until a Softbank tender offer](#) last year. As a result, Kalanick owns an estimated 7% of Uber, which is the biggest part of his estimated [\\$5.8 billion net worth](#). Uber, last valued by private investors [at \\$76 billion](#), also has two other billionaires: founder Garrett Camp ([\\$4.6 billion](#)) and first CEO Ryan Graves ([\\$1.6 billion](#)).

Despite owning a small amount of the company, Green and Zimmer, a [Forbes Under 30 alum](#), are [following the example of other tech IPOs](#) by maintaining control of the company. As part of its IPO, Lyft instituted a dual share class with the founders maintaining a combined 48.76% of the vote. Green's shares now control 29.31% of the vote, while Zimmer's voting power is 19.45%.

Appetite for one of the first in an expected wave of big tech IPOs this year drove the Lyft IPO price to the top of a previously lifted range and expanded the size of the offering. Lyft late Thursday said it had priced the IPO at \$72 and said it was offering 32.5 million shares of Class A stock, plus up to an additional 4.9 million shares. The initial pricing gave the company an estimated valuation of more than \$24 billion, according to Reuters, up from a private-market valuation of \$15.1 billion.

Shares started trading on the Nasdaq Stock Market under the LYFT ticker and closed Friday at \$78.29, a 9% increase from its initial pricing, resulting in a \$26 billion market cap.

Boon For Other Billionaires

While Zimmer and Green might not reach billionaire status overnight, several others will receive a boost to their fortunes. Lyft's largest shareholder is Japanese e-commerce firm Rakuten, which is owned by billionaire [Hiroshi Mikitani](#) (\$6 billion net worth). Its stake is worth over \$2.2 billion, according to *Forbes* estimates. Andreessen Horowitz, the eponymous venture capital firm run by billionaire [Marc Andreessen](#), is the next largest stakeholder with just over 5% of the company.

There are also some family ties for Logan Green. The CEO is married to Eva Gonda Green, the daughter of Louis Gonda, who appeared on *Forbes*' ["World's Richest" list in 2006](#) and was a longtime member of The Forbes 400 list of richest Americans. Gonda and his father Leslie founded an aircraft leasing business with [Steven Udvar-Hazy](#) and sold it to insurer AIG for stock in 1990. Gonda retired from the company, and then shares of AIG fell, leading Gonda to [drop off the list](#). However, the Gonda family has been actively investing in Lyft, according to the registration statement. Two family trusts invested at least \$3 million in shares at a \$39 price in 2018, a position now worth more than \$5 million.

While Lyft's IPO won't create any new billionaires off the bat, it will contribute to the [estimated 6,000 new millionaires](#) in what's just the beginning of the [tech unicorn IPO rush](#).

(This post was last updated following market close on Friday, March 29.)

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